

Remarks

The Office Action dated May 10, 2005 and made final has been carefully reviewed and the foregoing amendment has been made in consequence thereof.

Claims 1-31 are pending in this application. Claims 1-31 stand rejected. However, the previous Office Action indicates at page 11 that Claims 1-31 are deemed allowable over prior art subject to acceptable resolution of the outstanding rejections presented in the Office Action.

In accordance with 37 C.F.R. 1.136(a), a three month extension of time is submitted herewith to extend the due date of the response to the Office Action dated May 10, 2005, for the above-identified patent application from August 10, 2005, through and including November 10, 2005. In accordance with 37 C.F.R. 1.17(a)(3), authorization to charge a deposit account in the amount of \$1,020.00 to cover this extension of time request also is submitted herewith.

The rejection of Claims 1-31 under 35 U.S.C. § 112, second paragraph is respectfully traversed.

Independent Claims 1, 7, and 15 have been amended as suggested by the Examiner to overcome the Section 112, second paragraph rejections of the Office Action.

Particularly, Claim 1 has been amended to recite “(a) predicting a payment behavior for a borrower of a non-stationary asset-based loan included within a distressed loan portfolio utilizing a collections model wherein the payment behavior includes whether the borrower will submit a timely payment and a payment amount relative to a contractual delinquency for the associated loan....” Accordingly, the Examiner’s rejection relating to the “quantitative measure indicative of the payment behavior” has been addressed.

Moreover, Claim 1 has been amended to delete the recitation “that may be utilized” to address the Examiner’s rejection.

Claim 1 has also been amended to recite “(d) comparing the borrower’s payment behavior after initiating the at least one collection strategy to the predicted payment behavior of the borrower... (e) updating the collections model based on the borrower’s payment behavior comparison....” Accordingly, the Examiner’s rejection relating to using the outcome of the borrower’s payment behavior comparison has been addressed.

Claim 1 has also been amended to recite “(h) predicting a roll rate into a next level of delinquency for the borrower and the associated loan using the updated collections model, the calculated amount generated and expenses incurred, and the calculated probability that an event will occur that are calculated by the re-marketing model... and (i) repeating steps (a)-(h) for each loan included within the group of non-stationary asset-based loans.” Accordingly, the Examiner’s rejections relating to “the purpose of predicting payment behavior” and repeating the steps for each loan included within the group of loans has been addressed.

Similar amendments have been made to independent Claims 7 and 15. Accordingly, Applicant submits that Claims 1-31 are definite and particularly point out and distinctly claim the subject matter which Applicant regards as the invention.

For the reasons set forth above, Applicant respectfully requests that the Section 112, second paragraph, rejection of Claims 1-31 be withdrawn.

In view of the foregoing amendments and remarks, all the claims now active in this application are believed to be in condition for allowance. Favorable action is respectfully solicited.

Respectfully submitted,



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